



Air Force Government Purchase Card

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HQ AFSPC/LGCM
5 Oct 00**



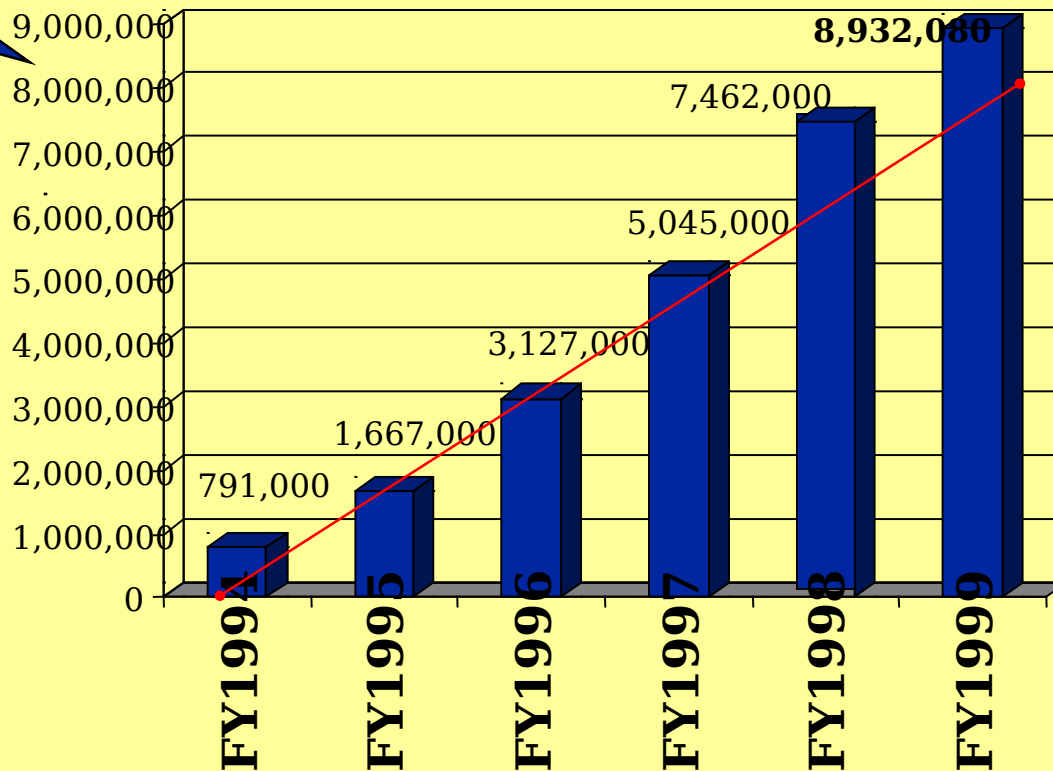
- **DoD, AF and AFSPC Statistics**
- **Issues:**
 - **GPC as Method of Payment**
 - **AFI 64-117**
 - **GAZMAT®**
 - **EEIC 637**
 - **Contractor Cards**



DoD Statistics

Total Card Purchases for All DoD (Historical)

**\$20 Million
in rebates**



**Projected
over \$10 Billion
in FY2000**



AFSPC Statistics

• Number of Individual Accounts by Base

| | <u>SEP 99</u> | <u>SEP 00</u> |
|------------------|---------------|---------------|
| • Peterson AFB | 1,203 | 1,261 |
| • Buckley ANG | 8 | |
| • Patrick AFB | 497 | 513 |
| • Schriever AFB | 347 | 336 |
| • Onizuka AFS | | 83 |
| • Vandenberg AFB | 718 | 841 |
| • FE Warren AFB | 634 | 609 |
| • Malmstrom AFB | <u>471</u> | <u>640</u> |
| • TOTAL | 3,961 | 4,485 |

Still
Growing!!!
13%
increase in
cardholder
accounts



AFSPC Statistics

Dollar Volume and Transactions

FY 99

FY00

- **Dollars Spent \$49.7 M \$73.1 M**
- **Transactions 110,591 133,626**

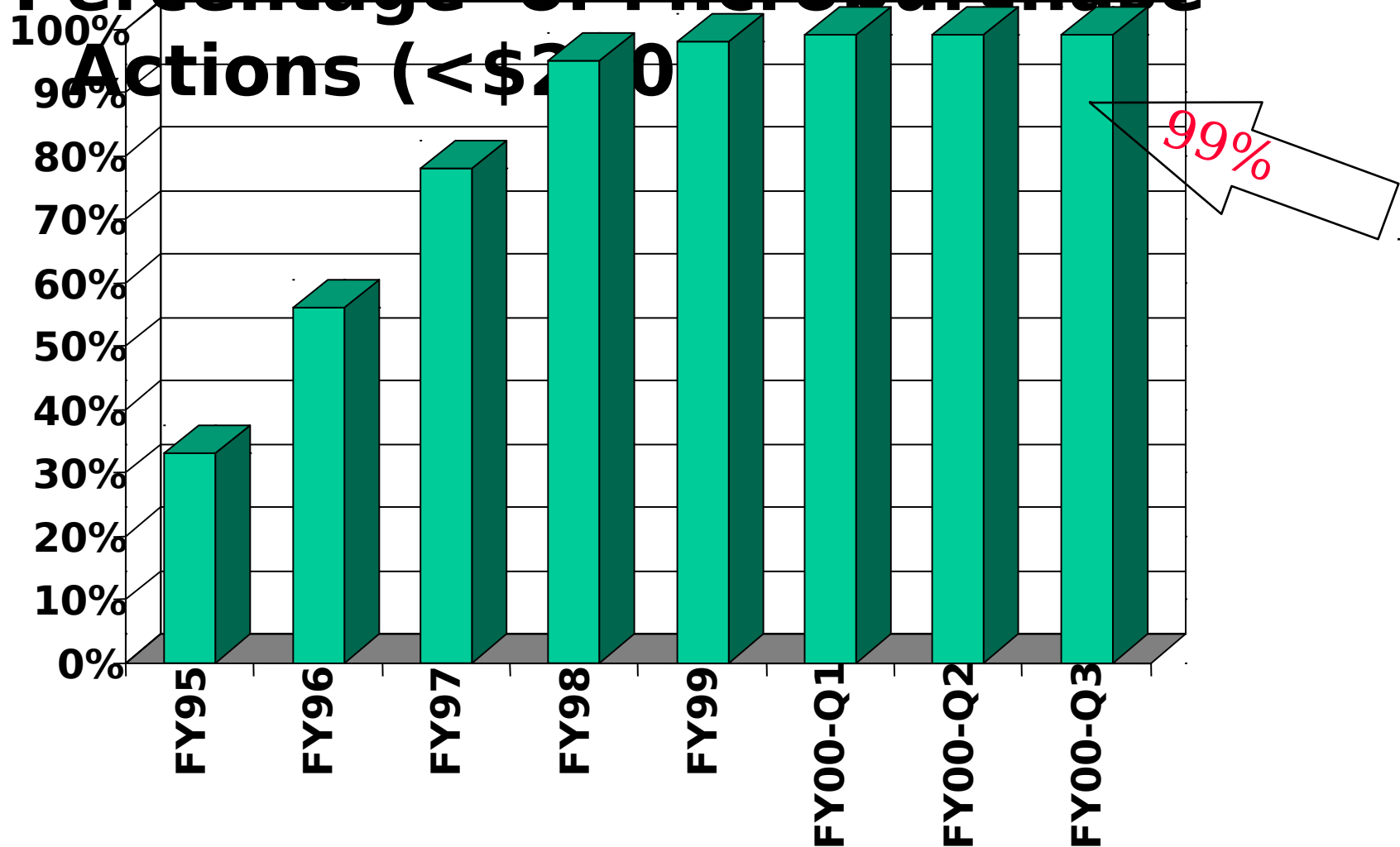
47% Increase in dollar volume

21% Increase in # of transactions



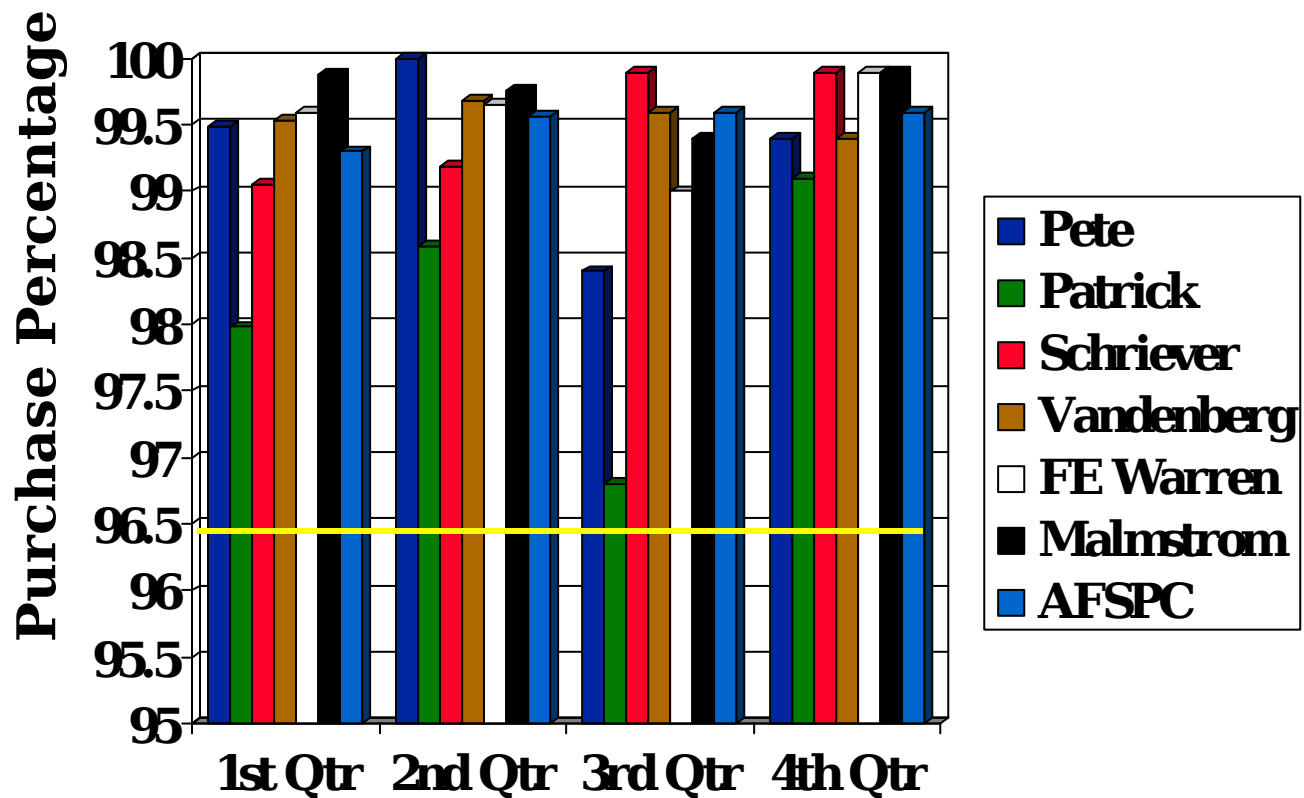
Air Force Government-wide Purchase Card Use

Percentage of Micropurchase Actions (<\$200)





FY00 AFSPC Statistics





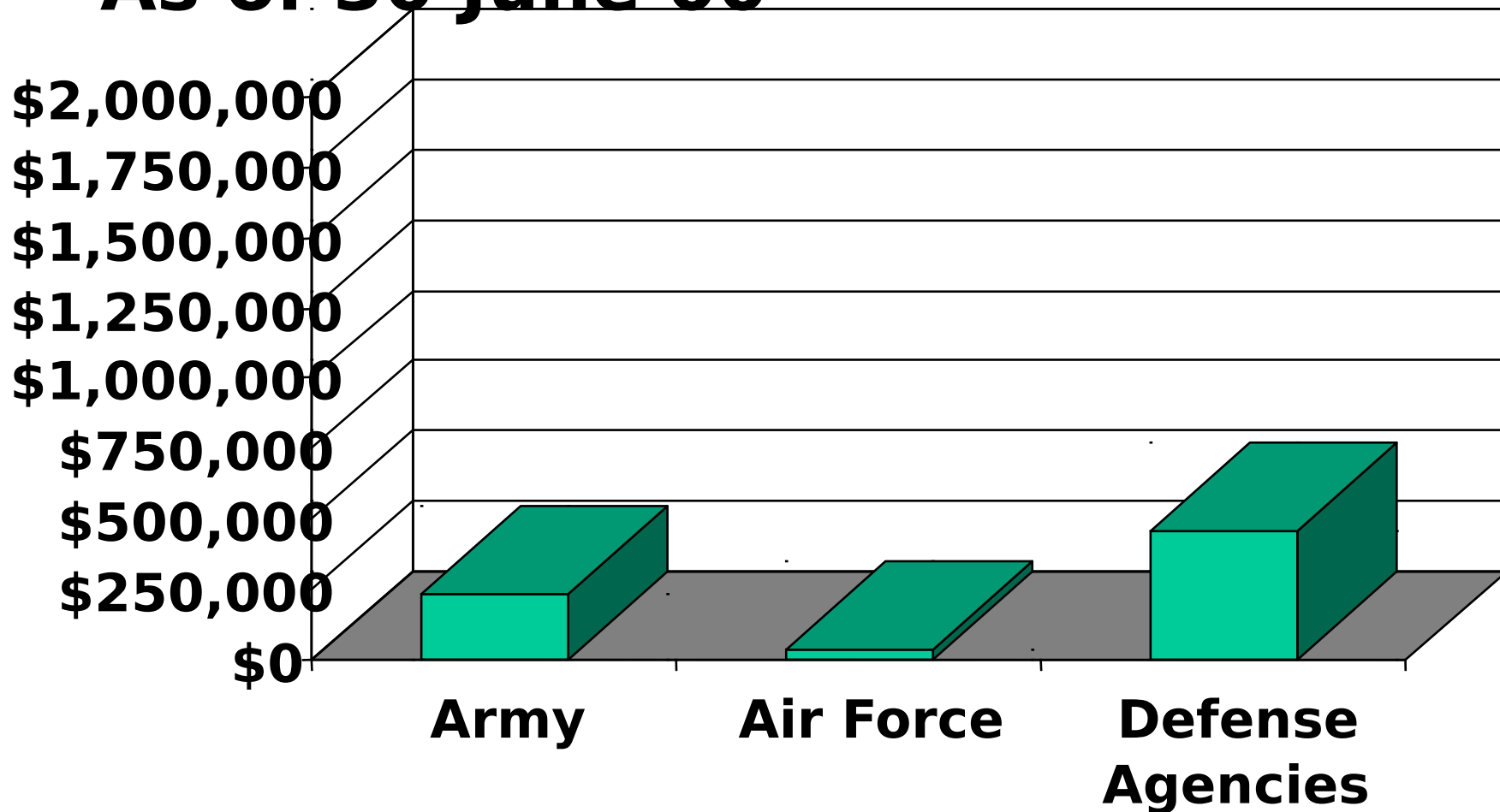
AF ACCOMPLISHMENTS

- **AF Leads DoD in Lowest Delinquency Rate**
 - **Pay and Confirm**
- **Highest Percentage of Rebates Per Dollars Spent in DoD**

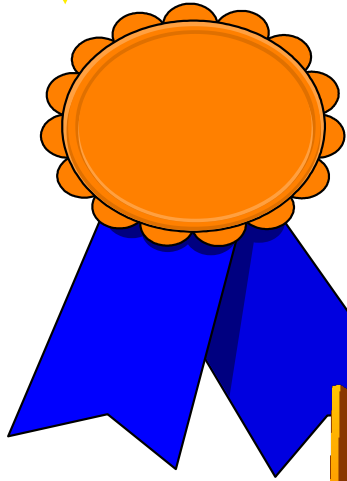


FY 00 Delinquencies Over 60 Days

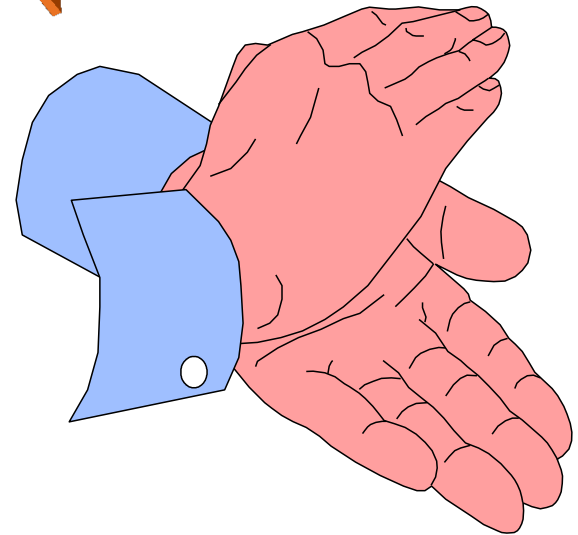
As of 30 June 00



FY00 AFSPC Statistics

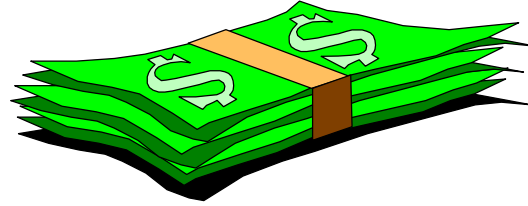


Very Few Delinquencies!!





Rebate "FLASH"

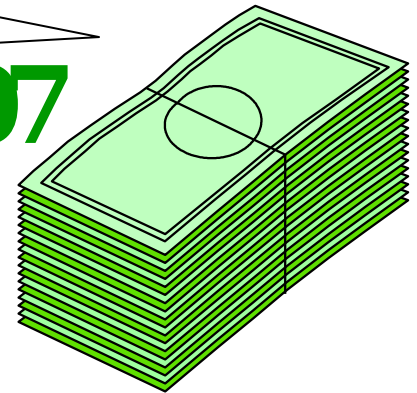
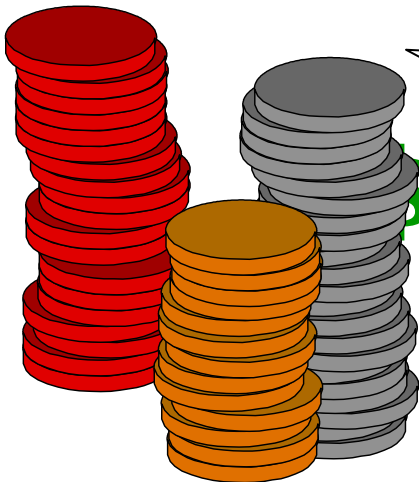


*AIR FORCE ON TARGET FOR HIGHEST
REBATES IN HISTORY--EVEN HIGHER THAN
EARNED IN FY99!!!*

FY99

FY00

\$ 3,427,580 \$ 4,766,307





FY00 AFSPC Statistics

• Rebate Amounts 1st - 3rd Quarter FY00

- Peterson AFB - \$ 82,071**
- Buckley ANG - \$ 6,234**
- Patrick AFB - \$ 44,919**
- Schriever AFB - \$ 12,075**
- Onizuka AFS - \$ 470**
- Vandenberg AFB - \$ 48,880**
- FE Warren AFB - \$ 44,234**
- Malmstrom AFB - \$ 43,788**
- AFSPC TOTAL - \$282,671**

***Purchases -
\$46,586,847***



FY00 AFSPC Statistics

• Rebate Amounts 3rd Quarter FY00

| » | | <u>Gross</u> | <u>Net</u> | <u>File Turn</u> |
|--------------|---|------------------|-----------------|------------------|
| • Peterson | - | \$ 32,044 | \$28,031 | 34 (days) |
| • Buckley | - | \$ 5,367 | \$ 5,104 | 30 |
| • Patrick | - | \$ 18,222 | \$15,888 | 35 |
| • Schriever | - | \$ 4,707 | \$ 4,670 | 30 |
| • Onizuka | - | \$ 390 | \$ 303 | 51 |
| • Vandenberg | - | \$ 16,145 | \$14,287 | 30 |
| • FE Warren | - | \$ 17,574 | \$15,217 | 37 |
| • Malmstrom | - | <u>\$ 21,242</u> | <u>\$18,222</u> | <u>31</u> |
| • TOTAL- | | \$117,003 | \$102,556 | 33.2 Avg |

***OMB charge of
Purchases -
15% for JFMIP***



FY00 AFSPC Statistics

Bank Rebates (Basis Points - example US Bank)

**\$1,000,000
Purchases**

\$3,590

**Days after billing
cycle**

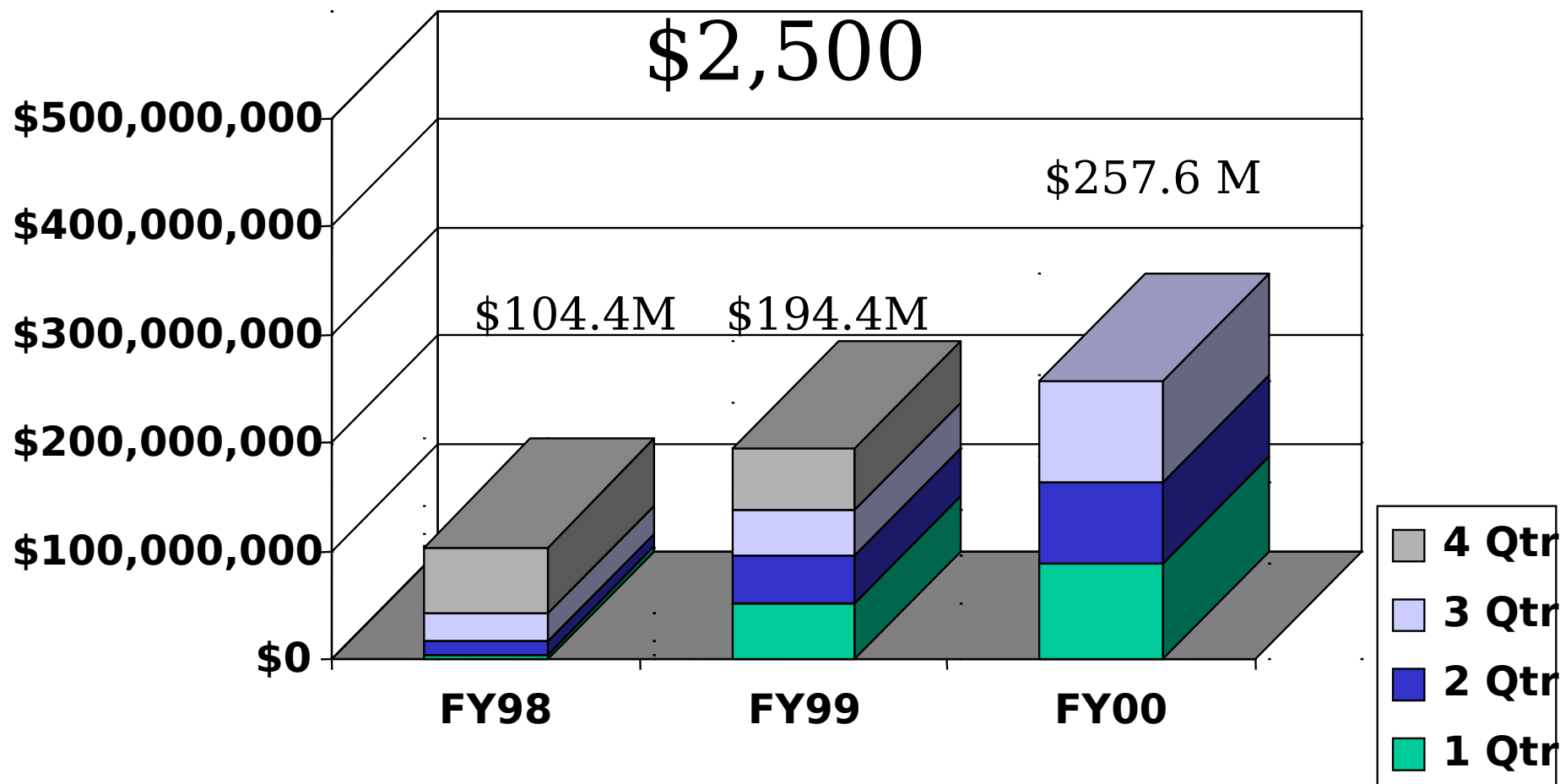
| | | | | | |
|-----------|--------------|-----------|--------------|-----------|--------------|
| 60 | 35.90 | 47 | 55.55 | 34 | 75.85 |
| 59 | 37.40 | 46 | 57.10 | 33 | 77.45 |
| 58 | 38.90 | 45 | 58.64 | 32 | 79.00 |
| 57 | 40.40 | 44 | 60.15 | 31 | 80.60 |
| 56 | 41.90 | 43 | 61. | 30 | 82.20 |
| 55 | 43.40 | 41 | | 29 | 83.85 |
| 54 | 44.90 | 42 | 63.25 | 28 | 85.45 |
| 53 | 46.40 | 40 | 66.35 | 27 | 87.05 |
| 52 | 47.90 | 39 | 67.95 | 26 | 88.70 |
| 51 | 49.40 | 38 | 69.55 | 25 | 90.30 |
| 50 | 50.95 | 37 | 71.10 | 24 | 91.95 |
| 49 | 52.45 | 36 | 72.70 | 23 | 93.55 |
| 48 | 54.00 | 35 | 74.25 | | |

\$9,355



Air Force Purchase Card Payments

>





Purchases with the card

- ✓ **Purchases at and below Micro-Purchase Threshold**
 - **authorizes purchases without clauses/provisions**
 - eliminates need for “paper”
 - **requires determination of fair and reasonable price**
 - **requires rotation of sources**
 - **NIB/NISH and UNICOR are applicable**
 - **card offers best (simplest) method for purchase**
 - DoD mandates use of card



Payments with the card

✓ **Purchases above the Micro-Purchase Threshold**

- **clauses/provisions apply**
- **more complex procedures as costs increases**
 - small business
 - competition
 - advertising
- **card cannot be used as stand-alone purchasing method**

HOWEVER:

- **orders placed against large contract offer similar savings**
 - can be written or verbal
 - card can be designated method of payment



AF Rules

- **Non-contracting cardholders limited to < \$25,000 on pre-priced contracts**
- **Contracting cardholders limits up to \$999,900 on pre-priced contracts.**
Funding document (AF 4009) required



- **AFI**

- In 2-letter coordination at SAF now
- Estimated release is “Soon”

- **AFI Highlights**

- **Convenience Checks Procedures**
- **Changes to Surveillance Program**
- **Certifying Officer/Accountable Officer Re-write**
- **Other Policy Changes Incorporated**



AFI 64-117 AIR FORCE GOVERNMENT PURCHASE CARD PROGRAM

- **SURVEILLANCE**
 - **Most delegated to Billing Officials**
 - **A/OPC's will perform 100% on BO's, 25% on Cardholder's**



Where Are We Going?

- **Continuing Education**
 - **Requirement to Provide Additional Training to Cardholders/Billing Officials through e-mails, websites, subject matter experts, vendor discount information, cardholder fairs, etc.**
- **On-line Purchasing through DOD E-Mall, Reverse Auctions, Quantity Discount “Pools”**
 - **Aggregates Cardholder Purchasing Power Resulting in Lower Prices**



Where are we Going? (cont'd)

- **Customer Automation and Reporting Environment (C.A.R.E.)**
 - **On-line Bank Reporting System**
 - **Access to Accounts by A/OPC, Billing Official**
 - **One Card! Reallocates Several Lines of Accounting**
 - **Faster File Turn Times by Financial Services Office Results in Higher Rebates**
 - **Air Force roll out to begin Jan 01**



- **HAZMAT**
 - **Continued training of CH's across AF about proper reporting of HAZMAT purchases**
 - **New AFI 32-7086 in review**



- **EEIC 637 for ADPE**
 - **SC effort to create a card with EEIC 637 to track IT purchases**
 - **IPT at SAF concluded separate EEIC would be too difficult to create/manage**
- **Contractor Cards**
 - ***Has been disapproved at SAF/AQ***
 - ***Includes cards issued to contractor by GSA***



Questions

Questions?